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16 October 1958

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CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

I. THE COMMUNIST BLOC

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Watch Committee conclusion--Taiwan Strait: Indications are that the Chinese Communist cease-fire will continue at least for the stated period barring serious Chinese Nationalist provocative acts, which are considered unlikely in the immediate future.

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no
***USSR-Iran:** The Soviet Union is pressing the Iranian Government to accept a visit by President Voroshilov in the near future. Voroshilov would probably stress Soviet efforts of the past several years at removing causes of friction, such as border and transportation problems, and renew offers of economic aid. The Shah has not yet made a decision on the request. Meanwhile, Iranian officials are concerned over what they regard as a significant increase in bloc propaganda against the Shah.

II. ASIA-AFRICA

OK
Iraq: After three months in power, the new regime is still disorganized and Iraq, in effect, lacks a government in the Western sense, according to an assessment by the American Embassy in Baghdad. The lack of dynamic and unified leadership, especially in the economic field, has led to widespread paralysis and increasing discontent. The embassy foresees the weeks just ahead as critical ones for Qasim, who is faced with strong pressures from within and without.

Watch Committee conclusion--Middle East: Although a deliberate initiation of open hostilities in the Middle East is unlikely in the immediate future, the situation remains unstable throughout the area, and incidents and coups could occur at any time.

no
NOTE: In Lebanon, political and religious strife, although somewhat eased, continues to endanger the stability of the country. The survival of the Jordanian regime continues to be threatened. If the regime in Jordan collapses, action by Israel and other neighboring countries to take control of Jordanian territory is likely. In Iraq, internal conditions continue to invite action by the Communists and pro-Nasir elements to further their respective objectives.

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Tunisia - UAR: In reaction to Tunisia's decision to break off diplomatic relations with the UAR, Nasir will probably step up his propaganda assault on the Bourguiba regime and increase his assistance to Tunisian opposition elements. In efforts to gain support for its move, Tunisia has sent a special envoy to Morocco and has made a new bid for American military aid. (Page 5)

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Japan - South Korea: South Korea is threatening to break off negotiations to normalize relations with Japan over Japanese refusal to recognize the "Rhee Line." Another suspension of the talks would expose Kishi to domestic criticism for not persuading the United States to exercise a moderating influence on President Rhee. This situation would be aggravated by resumption of large-scale Korean seizures of Japanese fishing vessels on the high seas.

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Indonesia: The army is worried over Communist plans for month-long anti-Western demonstrations to exploit such issues as the Taiwan Strait, nuclear testing, and the Middle East. The army has vetoed these plans, but Communist leaders may feel they must make at least a token effort.

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South Vietnam: President Diem warns that recently arrested North Vietnamese agents have disclosed Communist plans to bomb American MAAG headquarters and certain public utilities' installations in Saigon during the 23-26 October national holiday period. All concerned have been advised and precautions are being taken. These agents revealed they were responsible for the Saigon bombings last October in which 13 American military personnel were wounded.

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LATE ITEM

no
*Thailand: Army and air force units in the Bangkok area have been ordered on general alert beginning 15 October. Political tension has mounted in recent weeks, and the alert may have been called either as a purely precautionary move or in response to the threat of a coup by a faction within the ruling military clique. Thai strongman Marshal Sarit, aware of growing discord among his followers, has been planning an early return from England.

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USSR Asks Iran to Accept Voroshilov Visit

The Soviet Union is making overtures to the Iranian Government to permit a visit by President Voroshilov, but the Shah has not reached a decision on the offer. The Shah is diplomatically obligated to reciprocate for his trip to the USSR in 1956. The Shah's current preoccupation with urgent domestic affairs, the recent threatening Soviet military "maneuvers" on Iran's northern borders, and the recent increase in the sharpness of tone of bloc propaganda against his regime could combine to cause him to postpone acceptance. Iranian security authorities recently expressed concern over Soviet propaganda against the Shah.

The USSR would expect some propaganda gains from such a visit. Voroshilov would probably stress the efforts the USSR has made over the past several years to improve relations with Iran, including agreements on border demarcation, reciprocal transit rights, and joint study of irrigation and hydroelectric potentials along the Araks and Atrek rivers. The highlight of the visit would probably be a renewal of Soviet economic offers, including large-scale assistance for industrial expansion.

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II. ASIA-AFRICA

Iraqi Regime Failing to Meet Problems

The American Embassy believes that three months after the Iraqi revolution there is still no "government" in a Western sense in Baghdad. While individual ministers make sporadic efforts to lay down policy lines and to draft new laws, these remain paper exercises in the face of growing discontent with the failure to fulfill promises made after the July revolution. Although some immediate political problems appear to have been resolved by the departure of former Deputy Premier Arif as ambassador to Bonn, other political crises seem likely, and economic problems are mounting. The embassy feels that the weeks just ahead are critical.

The most obvious basis for discontent is economic stagnation. The regime's harassment of foreigners has led to an exodus of foreign technicians and businessmen, while native Iraqi commercial interests have been frightened by the leftist tendencies of many cabinet members. The halt in the development program is increasing unemployment. Reports indicate that the cessation of economic activity, for which the development program acted as a "pump primer," is being felt throughout the country. Those who are unemployed now expect the government to take care of them.

Prospects for improvement do not appear good. The embassy considers that the Qasim regime lacks experience in handling day-to-day problems of government. Qasim apparently is being advised primarily by members of the National Democratic party who are inclined to discount the danger of Communism for Iraq, while the embassy believes that the Communists now are the greatest potential threat to the regime's stability and existence.

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Tunisia Breaks Diplomatic Relations With UAR

Tunisia's severance of formal diplomatic relations with the UAR deepens the public rift opened on 11 October when Tunisia criticized the Cairo government at a session of the Arab League Council. Nasir now is likely to increase both the volume and intensity of his propaganda assault on the regime of Tunisian President Bourguiba, and may also provide increased assistance to Tunisian opposition elements such as Salah ben Youssef, Bourguiba's exiled rival whose continued presence in and patronage by Cairo precipitated the Tunisian outburst.

UAR propaganda media have continued to assail the position taken by Tunisia in the league and to discredit Bourguiba as a "stooge for the imperialists," making a particular effort to blame the United States for the Tunisian attitude. Bourguiba, for his part, to retain domestic loyalty, has been differentiating between the general Arab cause and the objectives and methods of Nasir and the UAR.

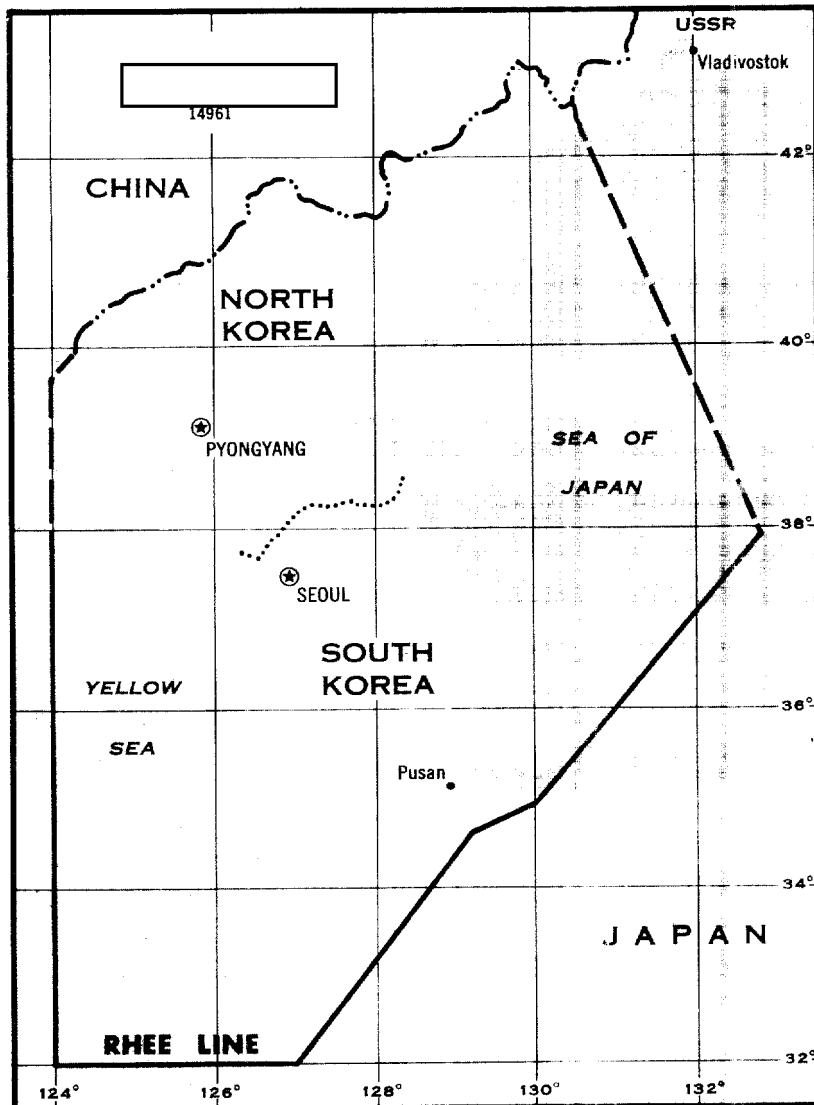
While Cairo has been emphasizing public expressions by other Arab states of solidarity with the UAR in this dispute, Bourguiba has also been moving, apparently with some success, to counter the Egyptian efforts to keep Tunisia isolated within the Arab world. A Tunisian special envoy sent to Rabat to seek Moroccan backing has been cordially received, according to Rabat radio, by the Moroccan King, who expressed his "full and lasting support for Tunisia and its President." On the basis of recent approaches to Algerian rebel leaders, the Tunisians claim that the Algerians will also in the end stand by Tunisia and have agreed to act as "intermediaries" in Cairo for the Tunisians.

A Tunisian political leader close to Bourguiba on 14 October renewed Tunisia's earlier request for more American arms, commenting: "We need arms now but more than anything we need to be able to announce within the next few days that the United States is standing behind its friend Bourguiba in his time of need." [REDACTED]

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South Korea Threatens to Suspend Negotiations With Japan

Yiu Taè-ha, chief South Korean delegate in negotiations to normalize relations with Japan, has threatened to break off the talks again as a result of Tokyo's standing refusal to recognize the area within the "Rhee Line" as Korean territorial waters. Yiu's subsequent public accusation that Japan is "insincere" in the negotiations has angered Prime Minister Kishi and Foreign Minister Fujiyama and may prompt Japan to abandon its conciliatory efforts to reach a settlement.

Japanese Foreign Ministry officials believe that Yiu is acting under the direct orders and approval of President Rhee in using the repeated threat of suspending negotiations to force Japanese accession to all Korean demands.

The American Embassy in Tokyo comments that if Seoul suspends the talks there will be a hardening of Japanese public and government opinion toward South Korea and a probable increase in pressure for repatriation, over Seoul's objections, of Koreans in Japan who desire to go to North Korea. Resumption of large-scale Korean seizures of Japanese fishing vessels on the high seas would probably result in demands for armed protection.

Indonesian Army Concerned Over Communist
Plans for "Peace Month"

The Indonesian Army is reported disturbed over Communist plans for a "peace month" beginning 15 October which is to highlight the support Communists have given the government in subduing the provincial dissidents, and may include anti-Western demonstrations on such issues as atomic tests, Lebanon, and Taiwan. Army officials refused several days ago to approve the program drawn up by the Communist-controlled Indonesian Peace Committee. Heretofore, the Communists have retreated in the face of army disapproval, but "peace month" has received so much publicity from the Communist press that party leaders apparently feel obliged to make at least a token effort to implement it. The army would probably suppress any obvious preparations for large Communist-inspired demonstrations.

Aside from the projected Communist exploitation of internal and international issues, the Peace Committee's plans conflict with a "modest program" planned by the army for the next month which will be highlighted by two important holidays-- Youth Day on 28 October and Heroes' Day on 10 November. The army fears that "peace month" could overshadow its own program. The Communists are again exploiting President Sukarno's popularity by inviting him to give a special address during the month.

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